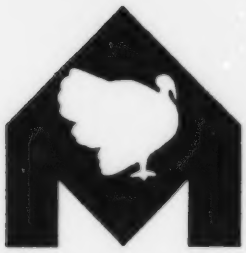
MANITOBA TURKEY PRODUCERS' MARKETING BOARD



TWENTIETH ANNUAL MEETING

March 1, 1989

International Inn
1808 Wellington Ave.

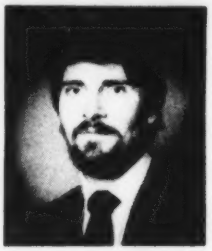
MANITOBA TURKEY PRODUCERS' MARKETING BOARD

1200 KING EDWARD STREET
WINNIPEG, MANITOBA R3H 0R5
633-6615

Bob Byle
Chairman
District 2

Ellis Penner
Vice Chairman
District 1

Peter Maendel
Director
District 3



Randy Penner
Director
District 2

Wayne Kroeker
Director
District 1

Bob Friesen
Director
District 3

Burton F. Waters
General Manager

Ken Harrison
Assistant Manager

Shirley Brown
Secretary

Kerri Dexter
Secretary

Janice Hutsal
Senior
Home Economist

Shelley Munro
Home Economist

MANITOBA TURKEY PRODUCERS' MARKETING BOARD
TWENTIETH ANNUAL MEETING
March 1, 1989

A G E N D A

9:30 a.m.	- Registration - Coffee & Donuts
10:00 a.m.	- Chairman's Remarks - Bob Byle - Early Bird Draw - Registered Producers In Attendance - Steve Pilot - Minutes of the Nineteenth Annual Meeting - Discussion Period
10:30 a.m.	- Canadian Turkey Marketing Agency Report - Ken Crawford, General Manager - Discussion Period
11:00 a.m.	- Auditor's Report - Gilles Chaput, Guenette, Chaput - Discussion Period
11:30 a.m.	- Proposed Budget - Bob Friesen - Discussion Period - Election Nominations
12:00 p.m.	- Luncheon - Cutting of Anniversary Cake - Present Directors and Past Directors - Guest Speaker
1:30 p.m.	- Election Report
2:00 p.m.	- Guest Speaker - Mr. Tom Hughes, President, Ontario Humane Society
3:00 p.m.	- New Business and Discussion Period
3:30 p.m.	- Appointment of Auditors - Measuring of Board Jackets by Shanter's Sportswear
4:00 p.m.	- Grand Prize Draw - Microwave Oven - Adjournment

PRODUCER BOARD REPORT

The turkey storage stock figures at the end of 1988 indicated a very good movement of turkey. Our storage stocks are somewhat higher than a year earlier however present stocks are manageable.

The total storage stock figure for Canada was 14,903,000 Kgs (32,855,000 pounds) eviscerated weight at December 31, 1988 as compared to 16,550,000 Kgs (36,482,890 pounds) eviscerated weight as December 31, 1987.

The total inventory for Manitoba was 12,660,000 Kgs (27,910,000 pounds) eviscerated weight at December 31, 1988 as compared to 1,313,000 Kgs (2,894,621 pounds) eviscerated weight at December 31, 1986.

In 1988 Manitoba marketed 8,900,136 Kgs (27,910,000 pounds) eviscerated weight of which 45,600 Kgs (1,005,291 pounds) was adjusted for product exported, for a total marketing of 8,444,136 Kgs (18,615,820 pounds) eviscerated weight out of 8,432,538 Kgs (18,590,251 pounds) that was allocated to Manitoba for 1988 compared to 8,432,538 Kgs (18,590,251 pounds) in 1987.

The 1988 allotment for each producer with a basic quota over 60,000 Kgs (132,275 pounds) live weight was established at 96%. The producers under 60,000 Kgs live weight were left at 100%.

The average weight of the birds marketed in 1988 as compared to 1987 were as follows:

	1 9 8 8		1 9 8 7	
Category	Kgs. Live	Lbs. Live	Kgs. Live	Lbs. Live
Broilers	5.13	11.31	5.09	11.16
Hens	7.35	16.20	7.49	16.51
Toms	11.52	25.40	11.60	25.57
Matures	10.84	23.90	9.98	22.00

Producer Board Meetings

There were 22 Board meetings along with two separate pricing meetings were held with processor representatives during 1988.

One or more of the directors attended meetings with the Canadian Turkey Marketing Agency, Keystone Agricultural Producers Inc. and the Manitoba Natural Products Marketing Council.

Other meetings held : Semi-Annual - Producer Only , Winter Tom Producers, Annual Meeting and Hatchery representative meeting.

Processor representatives attended 14 meetings during 1988. At these meetings concerns regarding different programs being considered and problems in the industry were discussed along with price.

The following is a breakdown of these meetings:

	Board Meetings	Other Meetings
Mr. Robert F. Byle Chairman	22	21
Mr. Ellis Penner Vice-Chairman CTMA Director	21	20
Mr. Peter Maendel KAP Representative	20	9
Mr. Randy Penner CTMA Alternate	21	20
Mr. Robert Friesen	20	9.5
Mr. Wayne Kroeker	20	4

Enclosed in the Auditor's Report on Page -21- is a complete breakdown of all Director Expenses.

Prices

There were seven price changes during 1988.

Prices varied in the different categories as follows:

Category	Date and Low Price	Date and High Price
Broilers	Nov. 26/87 - June 6/88 $1.39	Nov. 14 - Nov. 28/88 $1.54
Hens	Nov. 26/87 - June 6/88 $1.39	Nov. 14 - Nov. 28/88 $1.54
Toms	Nov. 26/87 - June 6/88 $1.34	Nov. 14 - Nov. 28/88 $1.46

Waiting List

At the present time there are 98 names on the waiting list for turkey quota.

Changes in Registration

During 1988 these were the changes made in registration.

J. W. Klassen to Starlite Colony

This was a re-allocation of quota from one producer to a new producer and the quota was not affected.

Keith Lillies to David & Emmy Byle

This was a re-allocation of quota from one producer to new producer and the quota was not affected.

Charts

The following charts are included in this report for your information.

1. 1988 Cost of Production
2. 1989 Number of Producers, Registered Basic Kilograms and Size of Quota by District
3. Market Allotments

1988 BROILER COST OF PRODUCTION UPDATE

	January	February	March	April	May	June
Variable Costs						
Feed	59.04	60.41	60.85	60.89	60.81	61.43
Poults	25.61	25.61	25.61	25.61	25.61	26.25
Other variable flock expenses	2.34	2.34	2.34	2.35	2.35	2.35
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
Int. on Working Capital	1.51	1.53	1.53	1.53	1.54	1.59
TOTAL	91.60	92.99	93.43	93.48	93.41	94.72
Fixed Costs						
Energy	5.59	5.59	5.59	5.59	5.59	5.59
Labour	13.21	13.21	13.21	13.33	13.33	13.33
Fixed Overhead	8.31	8.31	8.31	8.33	8.33	8.33
Depreciation	5.48	5.48	5.48	5.60	5.60	5.60
TOTAL	32.59	32.59	32.59	32.85	32.85	32.85
Capital Costs						
Interest on Long Term	8.38	8.38	8.38	8.52	8.52	8.52
Opportunity Cost of Capital	2.45	2.34	2.33	2.42	2.48	2.45
TOTAL Capital Costs	10.83	10.72	10.71	10.94	11.00	10.97
TOTAL Farm Gate Cost	135.02	136.30	136.73	137.27	137.26	138.54
Current Board Price						
Grade A	1.39	1.39	1.39	1.39	1.39	1.39
Undergrade	1.27	1.27	1.27	1.27	1.27	1.27

1988 BROILER COST OF PRODUCTION UPDATE

	July	August	September	October	November	December
Variable Costs						
Feed	73.89	69.48	73.04	75.21	75.89	76.09
Poults	26.25	26.25	26.25	26.25	26.25	26.25
Other variable flock expenses	2.35	2.35	2.38	2.38	2.38	2.38
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
Int. on Working Capital	1.56	1.77	1.84	1.91	1.96	2.01
TOTAL	97.25	102.95	106.61	108.85	109.08	109.83
Fixed Costs						
Energy	5.59	5.59	5.59	5.59	5.59	5.59
Labour	13.33	13.33	13.66	13.66	13.76	13.79
Fixed Overhead	8.33	8.33	8.45	8.45	8.44	8.44
Depreciation	5.60	5.60	5.57	5.57	5.57	5.57
TOTAL	32.85	32.85	33.27	33.27	33.38	33.38
Capital Costs						
Interest on Long Term	8.52	8.52	8.45	8.45	8.45	8.45
Opportunity Cost of Capital	2.44	2.48	2.52	2.45	2.43	2.46
TOTAL Capital Costs	10.96	11.00	10.97	10.90	10.88	10.91
TOTAL Farm Gate Cost	141.06	146.80	150.85	153.02	153.34	154.12
Current Board Price						
Grade A	1.40	1.40	1.45	1.49	1.51	1.51
Undergrade	1.28	1.28	1.33	1.37	1.39	1.39

1988 HEN COST OF PRODUCTION UPDATE

	January	February	March	April	May	June
Variable Costs						
Feed	65.42	66.07	66.59	66.86	66.99	67.51
Poults	21.65	21.65	21.65	21.65	21.65	21.60
Other variable flock expenses	3.61	3.61	3.61	3.62	3.62	3.62
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
In. on working Capital	1.88	1.87	1.87	1.88	1.89	1.92
TOTAL	95.66	96.30	96.82	97.11	97.25	97.75
Fixed Costs						
Energy	3.97	3.97	3.97	3.97	3.97	3.97
Labour	13.21	13.21	13.21	13.33	13.33	13.33
Fixed Overhead	6.03	6.03	6.03	6.05	6.05	6.05
Depreciation	5.48	5.48	5.48	5.60	5.60	5.60
TOTAL	28.69	28.69	28.69	28.95	28.95	28.95
Capital Costs						
Interest on Long Term	8.18	8.18	8.18	8.30	8.30	8.30
Opportunity Cost of Capital	2.71	2.59	2.58	2.68	2.74	2.71
TOTAL Capital Costs	10.89	10.77	10.76	10.98	11.04	11.01
TOTAL Farm Gate Cost	135.24	135.76	136.27	137.04	137.24	137.71
Current Board Price						
Grade A	1.39	1.39	1.39	1.39	1.39	1.39
Undergrade	1.27	1.27	1.27	1.27	1.27	1.27

1988 HEN COST OF PRODUCTION UPDATE

	July	August	September	October	November	December
Variable Costs						
Feed	69.55	74.28	78.21	82.42	83.92	84.72
Poults	21.60	21.60	21.60	21.60	21.60	21.60
Other variable flock expenses	3.62	3.62	3.68	3.68	3.67	3.67
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
In. on Working Capital	2.00	2.12	2.21	2.34	2.41	2.47
TOTAL	99.87	104.72	108.80	113.14	114.70	115.56
Fixed Costs						
Energy	3.97	3.97	3.97	3.97	3.97	3.97
Labour	13.33	13.33	13.66	13.66	13.78	13.78
Fixed Overhead	6.05	6.05	6.13	6.13	6.13	6.13
Depreciation	5.60	5.60	5.57	5.57	5.57	5.57
TOTAL	28.95	28.95	29.33	29.33	29.45	29.45
Capital Costs						
Interest on Long Term	8.30	8.30	8.24	8.24	8.25	8.25
Opportunity Cost of Capital	2.69	2.74	2.78	2.70	2.68	2.72
TOTAL Capital Costs	10.99	11.04	11.02	10.94	10.93	10.97
TOTAL Farm Gate Cost	139.81	144.71	149.15	153.41	155.08	155.98
Current Board Price						
Grade A	1.41	1.41	1.45	1.47	1.49	1.51
Undergrade	1.29	1.29	1.33	1.35	1.37	1.39

1988 TOM COST OF PRODUCTION UPDATE

	January	February	March	April	May	June
Variable Costs:						
Feed	67.65	67.60	68.23	68.58	68.85	69.41
Poults	15.80	15.80	15.80	15.80	15.80	15.21
Other variable flock expenses	3.61	3.61	3.61	3.62	3.62	3.62
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
In. on Working Capital	1.97	1.96	1.97	1.97	1.99	2.00
TOTAL	91.53	92.07	92.71	93.07	93.36	93.34
Fixed Costs						
Energy	2.53	2.53	2.53	2.53	2.53	2.53
Labour	13.21	13.21	13.21	13.33	13.33	13.33
Fixed Overhead	6.03	6.03	6.03	6.05	6.05	6.05
Depreciation	5.48	5.48	5.48	5.60	5.60	5.60
TOTAL	27.25	27.25	27.25	27.51	27.51	27.51
Capital Costs						
Interest on Long Term	8.18	8.18	8.18	8.30	8.30	8.30
Opportunity Cost of Capital	2.71	2.59	2.58	2.68	2.74	2.71
TOTAL Capital Costs	10.89	10.77	10.76	10.98	11.04	11.01
TOTAL Farm Gate Cost	129.67	130.09	130.72	131.56	131.91	131.86
Current Board Price						
Grade A	1.34	1.34	1.34	1.34	1.34	1.34
Undergrade	1.24	1.24	1.24	1.24	1.24	1.24

1988 TOM COST OF PRODUCTION UPDATE

	July	August	September	October	November	December
Variable Costs						
Feed	71.44	75.85	79.62	84.14	86.38	87.06
Poults	15.21	15.21	15.21	15.21	15.21	15.21
Other variable flock expenses	3.62	3.62	3.68	3.68	3.67	3.67
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Levies: Provincial	1.80	1.80	1.80	1.80	1.80	1.80
CTMA	1.30	1.30	1.30	1.30	1.30	1.30
In. on Working Capital	2.07	2.20	2.30	2.45	2.53	2.59
TOTAL	95.44	99.98	103.31	108.58	110.89	111.63
Fixed Costs						
Energy	2.53	2.53	2.53	2.53	2.53	2.53
Labour	13.33	13.33	13.66	13.66	13.78	13.78
Fixed Overhead	6.05	6.05	6.13	6.13	6.13	6.13
Depreciation	5.60	5.60	5.57	5.57	5.57	5.57
TOTAL	27.51	27.51	27.89	27.89	28.01	28.01
Capital Costs						
Interest on Long Term	8.30	8.30	8.24	8.24	8.25	8.25
Opportunity Cost of Capital	2.69	2.74	2.78	2.70	2.68	2.72
TOTAL Capital Costs	10.99	11.04	11.02	10.94	10.93	10.97
TOTAL Farm Gate Cost	133.94	138.53	142.82	147.41	149.83	150.61
Current Board Price						
Grade A	1.36	1.36	1.40	1.41	1.41	1.43
Undergrade	1.26	1.26	1.30	1.31	1.31	1.33

MANITOBA TURKEY PRODUCERS' MARKETING BOARD
1989
NUMBER OF PRODUCERS, REGISTERED BASIC KILOGRAMS AND SIZE OF QUOTA BY DISTRICT

SQUARE FEET	UNDER 45,360	45,361 90,720	90,721 136,080	136,081 226,800	226,801 272,160	272,161 317,520	317,521 362,880	OVER 362,881	TOTAL KILOGRAMS	NUMBER OF PRODUCERS
DISTRICT 1	4	10	0	14	1	1	0	1	4,145,130	31
DISTRICT 2	15	7	4	9	2	2	0	0	3,975,314	39
DISTRICT 3	1	2	2	6	1	0	1	1	2,467,030	14
TOTAL PRODUCERS	20	19	6	29	4	3	1	2	0	84
TOTAL BASIC QUOTA	546,700	1,288,700	681,550	5,018,290	961,380	876,164	340,200	875,490	10,587,474	

MANITOBA TURKEY PRODUCERS' MARKETING BOARD

MARKET ALLOTMENTS

YEAR	PROVINCIAL EVISCERATED	ALLOTMENT ESTIMATED LIVE	PRODUCER BOARD ALLOTMENT	PER CENT ALLOTMENT	OVER ALLOTTED	MARKETED	PER CENT OF ALLOTMENT MARKETED
1976	7,547,904	9,093,860	9,611,784	105.7	517,924	8,579,844	89.3
1977	7,454,462	8,981,279	9,927,490	110.5	946,211	9,038,887	91.0
1978	6,936,451	8,357,170	9,545,558	114.2	1,188,388	8,640,626	90.5
1979	8,142,126	9,809,790	10,405,584	106.1	595,794	9,898,006	95.1
1980	7,541,554	9,086,210	9,584,114	105.5	497,904	9,301,975	97.1
1981	7,264,404	8,752,294	9,120,656	104.2	368,362	8,758,073	96.0
1982	7,468,978	8,998,769	9,596,758	106.7	597,989	9,404,412	98.0
1983	7,491,658	9,107,291	9,008,501	98.9	(98,970)	8,919,500	99.0
1984	7,353,759	8,935,309	9,032,165	101.1	96,856	8,989,012	99.5
1985	7,900,143	9,601,027	9,677,779	100.8	76,752	9,561,711	98.8
1986	8,009,544	9,731,907	9,940,803	102.2	210,716	9,715,342	99.8
1987	8,432,538	10,244,690	10,434,776	101.9	190,086	10,248,476	100.0
1988	8,432,538	10,249,157	10,372,729	101.2	123,572	10,221,764	100.0

CTMA REPORT BY MANITOBA DIRECTOR

It is my pleasure, as your representative to our National Agency, to have the privilege of presenting this report on the occasion of the Manitoba Board's 20th Anniversary. I wonder today how many of us remember the status of the turkey industry twenty years ago or for that matter even ten years ago. As producers, processors, hatcherymen and all other industry sectors I feel the stability we have enjoyed over the last few years has made us somewhat complacent and we have difficulty in adjusting to change.

This brings me to the subject of the report which is to review the activities of the Agency in 1988, a year which found our industry entering a new environment in a new era from both an internal and external perspective. On the positive side we had a 2.7 percent increase in slaughter, a 5 percent increase in disappearance which resulted in the excessive opening inventories being somewhat reduced. Supplemental imports were only 27,000 kilograms, a 99 percent reduction from 1987. With the same production for 1989 we should see a well supplied market, further reductions in inventory with more reasonable margins for producers and processors.

Also during 1988 a number of policy issues were dealt with in a manner that allowed the Agency to better administer our quota system, thus providing the industry with a better balanced supply.

A revised overbase allocation policy was adopted, though not unanimously, as Manitoba, even though we supported the principals contained in the policy did not vote in favour. We did not feel that at present quota levels Manitoba received an adequate share. The new policy addresses provincial and regional requirements and provides the necessary mechanics for our industry to more quickly address market changes. I hope we in Manitoba can resolve our position.

The Multiplier Growth Policy was revised and finalized providing a responsible solution to growth problems facing that industry for a number of years. Also the Export Policy underwent revisions following consultation with the industry. The new policy lessens the impact on domestic supply which was occurring with the liberal credits allowed under the original policy. This new policy provides a fair and equitable system for our exporters.

I mentioned earlier a new environment into which we are entering. This is a directed result of our Government's position in establishing a more liberalized trade environment through both the F.T.A. and GATT. Our supply management system has been weakened by the F.T.A. as our global quotas have increased by 1 1\2 percent, the removal of tariffs and the refusal to add products not on the import control list. These

items coupled with the issues facing Article XI in the GATT round will require that we as producers must more than ever assure that we supply the right product in the right areas to protect our Border from imports. If we want to enjoy the stability of the past few years we must evaluate our position in a national forum and maybe concessions will have to be made at times. In my opinion we can not operate as separate Provinces and accomplish the adjustments required for the future.

In closing I want to thank Burt and his staff and my fellow directors for their support throughout 1988. It has been a pleasure for me to represent you at the Agency and to have participated in resolving the many issues at that level.

Ellis Penner
CTMA Director

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD
Winnipeg, Manitoba

Year End Financial Statements

As At December 31, 1988

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Balance Sheet	Statement "1"
Statement of Operating Surplus	Statement "2"
Statement of Revenue and Expenditures	Statement "3"
Notes to Financial Statements	Statement "4"

BDO GUENETTE CHAPUT

Comptables Agréés
Chartered Accountants

262 Marion
Winnipeg Manitoba R2H 0T7
Telephone (204) 233-8593
Telefax (204) 237-0134

Auditors' Report

To the Board and Members
THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD
Winnipeg, Manitoba

We have examined the balance sheet of THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD as at December 31, 1988, and the statements of operating surplus and revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The Marketing Board derives most of its revenue in the form of levies based on weight marketed. These amounts are not susceptible to complete audit examination and, accordingly, our work in respect of this revenue was limited to accounting for the amounts recorded in the books as reported to the Board by the processors.

In our opinion, except for adjustments that may have been required had we been able to extend our examination of revenues, these financial statements present fairly the financial position of the Board as at December 31, 1988 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Marketing Board in Manitoba, applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba
January 17, 1989

Guenette Chaput
Chartered Accountants

INTERNATIONAL BDO BINDER

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Balance Sheet

As At December 31, 1988

ASSETS

	1988	1987
Current Assets		
Cash	$ 100	2,420
Temporary investments	145,000	105,000
Accounts receivable	17,800	12,449
Prepaid expenses	1,591	1,568
Investment (Note "2")	50	50
	$164,541	121,487

LIABILITIES AND SURPLUS

Current Liabilities		
Bank overdraft	$ 15,764	-
Accounts payable	15,833	12,429
	31,597	12,429
Surplus and Reserve		
General reserve fund (Note "3")	72,440	72,440
Operating surplus, Statement "2"	60,504	36,618
	132,944	109,058
	$164,541	121,487

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Statement of Operating Surplus

Year Ended December 31, 1988

	1988	1987
Balance, beginning of year	$ 36,618	24,077
Add: Surplus for year, Statement "3"	23,886	12,541
Balance, end of year	$ 60,504	36,618

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Statement of Revenue and Expenditures

Year Ended December 31, 1988

	1988		1987
	Budget	Actual	Actual
Revenue			
Producers' fees levied (Note "6")			
Board operations	$189,000	191,532	176,884
Pool operations	-	-	6,088
Farm kill	-	-	293
Overmarketing penalties	-	8,249	4,798
Interest	10,000	10,531	7,562
	199,000	210,312	195,625
Expenditures			
Salaries and benefits	71,000	69,864	66,611
Directors' meetings (Note "4")	40,000	39,348	42,473
Advertising and promotion	35,000	29,290	30,550
Postage, office supplies and furnishings	10,000	9,044	6,753
Legal and consulting fees	8,000	8,952	6,913
Telephone	4,500	4,815	4,601
Travel	3,500	4,298	2,277
Rent and light	4,300	3,860	3,849
Audit fees	3,850	3,850	4,750
Meeting with producers	3,000	3,822	3,204
General expenses	2,000	2,349	2,224
Insurance	1,850	1,592	1,368
Dues and fees	1,200	1,000	1,000
Subscriptions	800	529	450
Export costs (Note "5")	2,000	3,813	6,061
	191,000	186,426	183,084
Surplus for year	$ 8,000	23,886	12,541

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1988

Note "1" Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles for Marketing Boards in Manitoba and reflect the following policies:

(a) Investments - Shares - C & T Exports Ltd.

The investment in C & T Exports Ltd. is accounted for using the cost method.

(b) Fixed Assets

Fixed assets are expensed on the statement of revenue and expenditures in the year of their acquisition.

Note "2" Investment

The Manitoba Turkey Producers' Marketing Board owns one-half of the issued capital of C & T Exports Ltd., a corporation constituted in Manitoba for the purpose of increasing the export markets for chicken and turkey. The Manitoba Chicken Broiler Producers' Marketing Board owns the other half. Any deficits incurred by C & T Exports Ltd. are funded equally by the two boards. As of December 31, 1988, C & T Exports Ltd. has an accumulated surplus of $3,835.

Note "3" General Reserve Fund

The General Reserve Fund was created to pay unusual expenses which may become payable from time to time and to protect the Board with respect to the bond posted with the Canadian Agency as guarantee for the payment of overmarketing penalties. Until July 1, 1987, a levy of 11.02 cents per 100 kilograms live weight of turkey marketed by the producers was levied for the General Reserve Fund. After that date, no further levy was collected for this reserve. The reserve is not funded in a separate bank account. It is expected that no monetary penalty will be payable to C.T.M.A. for 1988 overmarketings.

The transactions in the reserve were as follows:

	1988	1987
Balance, beginning of year	$ 72,440	69,396
Add: Levies collected from producers (to July 1, 1987)	-	3,044
Balance, end of year	$ 72,440	72,440

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1988

Note "4" Directors' Meetings

The directors' meetings expenditures are paid on the basis of approved rates as follows:

1) Per diem remuneration - chairman $125 per day
   - others $100 per day
2) Expense allowance - $35 per day ($50 per day if outside Manitoba)
3) Mileage - 25.0 cents per kilometer

The directors' meetings expenditure on Statement "3" includes the following:

Director	Meetings Board	Meetings Other	Per diem	Expense Allowance	Mileage	Other	Total
Bob Byle	22	21	$ 5,375	1,380	556	731	8,042
Bob Friesen	20	9.5	2,950	1,015	2,476	332	6,773
Wayne Kroeker	20	4	2,400	840	683	16	3,939
Peter Maendel	20	9	2,900	1,015	2,037	82	6,034
Ellis Penner	21	20	4,100	1,385	1,190	814	7,489
Randy Penner	21	20	4,100	980	1,067	65	6,212
Other	-	-	-	-	-	859	859
1988 actual			$ 21,825	6,615	8,009	2,899	39,348
1987 actual			$ 24,550	7,401	8,198	2,324	42,473

Note "5" Export Costs

Export costs in the amount of $3,813 ($6,061 in 1987) represent amounts paid to C & T Exports Ltd. to defray the net cost of exports and the development of export markets. The product exported falls outside the C.T.M.A. quota allocated to Manitoba, thus, allowing extra Manitoba production which generates extra levies revenues for the Board.

THE MANITOBA TURKEY PRODUCERS' MARKETING BOARD

Notes to Financial Statements

As At December 31, 1988

Note "6" Canadian Turkey Marketing Agency Levies

Pursuant to authority given to it under the Farm Products Marketing Agencies Act of Canada (a federal statute), the Canadian Turkey Marketing Agency imposes levies on individual producers. Acting as a collection point for C.T.M.A., the Manitoba Board receives levies either directly from producers or from processors and remits the levies, in their entirety, to the Federal Agency. There were $139,941 of levies collected and remitted for 1988 ($124,574 for 1987). These C.T.M.A. levies are not shown on the Board's statement of revenue and expenditures (Statement "3").

Note "7" Credit Arrangements

The Board has an approved line of credit with the Credit Union Central of Manitoba to a maximum of $50,000. This line of credit is secured by:

1) Promissory note
2) Line of credit agreement
3) Pledge of fluctuating cash collateral

At December 31, 1988, the interest rate on this line of credit was prime plus 1%. At December 31, 1988, $15,764 of the authorized line of credit was being utilized.

Note "8" Pension Plan

The employees of the Board participate in the Manitoba Civil Service plan whereby contributions made by the employees are matched by contributions of the Board. In 1988, the Board contributed a total of $3,467 (1987 - $3,165) which is included in salaries and benefits.

Note "9" Lease Commitments

The Board, together with The Manitoba Chicken Broiler Producers' Marketing Board, has leased office space from The Manitoba Vegetable Producers' Marketing Board, for an annual amount of $7,460 ($3,730 per Board).

C & T EXPORTS LTD.
Winnipeg, Manitoba

Year End Financial Statements

As At December 31, 1988

ASSETS

Auditors' Report	
Balance Sheet	Statement "1"
Statement of Surplus	Statement "2"
Statement of Income	Statement "3"
Notes to Financial Statements	Statement "4"

BDO GUENETTE CHAPUT

Comptables Agréés
Chartered Accountants

262 Marion
Winnipeg Manitoba R2H 0T7
Telephone (204) 233-8593
Telefax (204) 237-0134

Auditors' Report

To the Shareholders
C & T EXPORTS LTD.
Winnipeg, Manitoba

We have examined the balance sheet of C & T EXPORTS LTD. as at December 31, 1988 and the statements of surplus and income for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1988 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Guenette Chaput

Winnipeg, Manitoba
January 31, 1989

Chartered Accountants

INTERNATIONAL BDO BINDER

C & T EXPORTS LTD.

Balance Sheet

As At December 31, 1988

	1988	1987
ASSETS		
Current Assets		
Cash	$ 6,164	6,108
Accounts receivable	109	110
	$ 6,273	6,218
LIABILITIES		
Current Liabilities		
Accounts payable	$ 2,338	843
Surplus		
Share capital (Note "2")	100	100
Surplus, Statement "2"	3,835	5,275
	3,935	5,375
	$ 6,273	6,218

Statement "2"

C & T EXPORTS LTD.

Statement of Surplus

Year Ended December 31, 1988

	1988	1987
Balance, beginning of year	$ 5,275	6,136
Add: Net loss, Statement "3"	(1,440)	(861)
Balance, end of year	$ 3,835	5,275

C & T EXPORTS LTD.

Statement of Income

Year Ended December 31, 1988

	1988	1987
Revenues		
Sale of products	$ 93,343	131,453
Marketing board contributions		
Manitoba Turkey Producers	3,813	6,061
Manitoba Chicken Broiler Producers	53	4,717
Industry assistance	3,057	1,400
Sundry	574	500
Interest	286	228
Government grant - P.E.M.D. (Note "3")	-	3,940
	101,126	148,299
Expenditures		
Purchase of products	79,080	118,273
Shipping costs	18,568	13,621
Price support costs	2,182	323
Repayment of grant - P.E.M.D. (Note "3")	1,498	450
Audit fees	810	775
Travel	285	13,450
Bank interest and service charges	113	200
Dues and fees	30	30
Promotion	-	2,000
Legal fees	-	38
	102,566	149,160
Net loss	$ (1,440)	(861)

C & T EXPORTS LTD.

Notes to Financial Statements

As At December 31, 1988

Note "1" Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles.

Note "2" Share Capital

The corporation was constituted under The Corporations Act of Manitoba. The authorized capital of the corporation is an unlimited number of common shares with a maximum consideration of one ($1) dollar each. The issued capital of the corporation is 100 common shares for $100. The corporation is owned equally by the Manitoba Turkey Producers' Marketing Board and the Manitoba Chicken Broiler Producers' Marketing Board.

Note "3" Government Grant - P.E.M.D.

The corporation has received a grant of $3,940 under the Program for Export Market Development (P.E.M.D.) for assistance in a marketing mission to Japan to meet with and explore possible increased sales of Manitoba products to existing and potential customers in the retail and H.R.I. sector.

The corporation must repay the grant in annual instalments of 2% of gross sales made in that market between September 10, 1987 and March 10, 1991. The obligation to repay ceases for sales after March 10, 1991. An amount of $1,498 has been recorded as a payable for net product exported to December 31, 1988.

PROMOTION REPORT

Turkey consumption in Manitoba has been on the rise for the last few years for several reasons:

1) Cut up parts are now readily available. These are more suitable to today's small families and busy life-styles.

2) Consumers are becoming more health conscious and more aware of turkey's low calorie, low fat benefits.

3) Processors are now providing more fresh product - both whole and in parts which caters to the consumers' preference for "fresh".

4) Turkey is now more readily available in foodservice establishments.

For every consumer who becomes aware of turkey's nutritional benefits and new found convenience however, there are many more who still see turkey as a bird for festive occasions only. Promotion and advertising are vital tools to help reach consumers who have yet to realize that turkey is excellent for everyday eating. Our goal, albeit ambitious, is to make all Manitoba consumers aware of the benefits of turkey on a weekly (or even monthly) rather than a yearly basis.

As you may already know, Linda Hogue left her position as Senior Home Economist in June 1988. Janice Hutsal was promoted to Senior Home Economist and Shelley Munro was hired in September to fill the second Home Economist position. The Home Economists continue to work half-time for the Vegetable Board and half-time for the Chicken and Turkey Boards.

The following report is a summary of the advertising and promotional activities undertaken in 1988.

Turkey In March

The objectives of this promotion were once again to raise the awareness of Canadian turkey and turkey products among Canadian consumers, increase consumption of turkey and foster cooperation within the turkey industry.

Nationally, the promotion consisted of the distribution of 3.3 million sweepstakes entry forms (which included recipes) via direct mail. A sweepstakes entry form also appeared in the March 1988 edition of "Recipes Only" which was distributed to two million households across

Canada. A donation of twenty cents per sweepstakes entry was made to the Ability Fund. CTMA's support included a national public relations campaign via trade and media. There was also support from the Ability Fund and Agriculture Canada. As well recipe stickers for retail packages of turkey parts were provided by CTMA for distribution to local processors and retailers.

Locally, Board staff and a representative of Professional Demonstrating Services visited local retailers to get their thoughts on the promotion of turkey . The Board also held a promotion launch for trade and media at the Sheraton Hotel. The hotel then ran a special promotion on turkey for the month of March which was well received.

The Board's major effort, however, was in sponsoring in-store demonstrations and sampling in seventeen (17) urban and rural grocery stores throughout Manitoba. Over 12,000 consumers sampled Teriyaki Turkey and over 1,162 kilograms (2,556 pounds) of turkey were sold during the demonstrations.

In general, the promotion was successful in generating publicity and demonstrated to consumers that turkey could be served as a delicious everyday meat. The sweepstakes approach was not well received by the trade and consumer response rates were low. On the other hand, the in-store demonstrations and recipe stickers for retail packages were very well received by the trade, retailers and consumers alike.

Co-Operation with CTMA

CTMA provides the Board with free recipe pamphlets ("Turkey for Today, Turkey On the Grill, Today's Special Turkey"), as well as teaching kits for home economics teachers. They also sponsor the Board's participation at the annual foodservice trade show "Centrex". The Board in turn makes every effort to support National endeavours locally, and to provide feedback on promotional activities.

Advertising

1) Canada Poultryman- Who's Who edition - directed at the industry

2) Greater Winnipeg Business Magazine - directed at business Executives - a barbecue feature

3) Lotto Savings - directed at middle income families in Winnipeg - a barbecue feature

4) Manitoba Summer Games - cash donation

Media

1) Television - these programs continue to be a high priority. Weekly appearances on CKY, monthly appearances on CKND, as well as guest appearances on VPW's "Microwave Magic" and CKY's "Skiddlebits". As a result of these programs approximately 18,000 recipe booklets were distributed to Manitoba consumers in 1988.

2) Radio - This past year five phone-in shows (1 1\2 hours each) were done on CJOB's "Problem Corner". As well, one guest spot on CBC's noon hour call-in show "Questionnaire" regarding what to do with leftover turkey.

The monthly "Consumer Update" radio tapes distributed to rural radio stations have also continued.

3) Print - Print media continue to contact Board staff for information and recipes regarding turkey. Articles have appeared in the Winnipeg Free Press, The Winnipeg Sun, Flyer Force Publications, The Manitoba Co-Operator and Country Guide.

Displays and Demonstrations

Displays and demonstrations provide an opportunity for the Board to reach consumers on a one-to-one basis. Most of the local displays are joint producer group displays co-ordinated by the Marketing Branch of Manitoba Agriculture. Those attended in 1988 are as follows:

Displays

- Polo Park - February 18th - 20th
- Brandon Fair - March 28th - April 2nd
- Unicity Mall - May 5th - 7th
- Portage Place - November 4th - 5th

Through participation in these displays the Board has distributed over 13,000 pieces of literature on turkey.

Demonstrations & Presentations

- Codville Meat Seminar - April 25th - 26th
- Home Expressions - March 16th
- University of Manitoba - 4th Year - Foods & Nutrition Class - September 8th
- The Bay Seniors Day - November 29th

Through participation in these displays, the Board has distributed

more than 11,500 pieces of literature and made contact with countless other consumers.

Foodservice

There were two major activities undertaken in the foodservice area in 1988. The first was a restaurant promotion at the Sheraton Hotel during the March promotion. Approximately 45 kilograms (100 pounds) of turkey fillet were used by the hotel, compared to none during the same week the previous year. The Hotel indicated that they would continue to feature the smoked Turkey Mango Salad on their menu in the future.

The second activity was a display at Centrex '88, a large foodservice trade show, done in co-operation with CTMA. The display featured product sampling as well as two possible menu ideas. CTMA's "Today's Special Turkey" brochure was distributed which is directed to the foodservice industry. Over 1,500 people sampled turkey at the show and were very impressed by its flavour and versatility. The show provides an excellent opportunity to reach the foodservice industry in Manitoba.

Public Relations

1) Consumer Enquiries

These continue to be a high priority as staff are highly visible through their media work. Approximately 250 enquiries regarding turkey were handled in 1988.

Records are kept of all enquiries and the answers provided. Monthly summaries are submitted to the General Manager which allows problems to be addressed properly and keeps Board members abreast of consumer concerns.

2) Donations

Donations are made to quite a number of organizations throughout the year (approximately 60 in 1988). These take the form of pamphlets for distribution in registration kits at conferences, meetings or other events as well as promotional items for use as door prizes.
(See list at end of report)

Education

Home Economics teachers throughout the Province are an important group to reach as they influence the buying habits of future consumers.

1. Newsletters and Resource Lists

These continue to be distributed to Manitoba's home economics teachers twice per year. Audio visual aids, pamphlets and posters continue to be extremely popular.

2. Special Area Groups Conference for Home Economics Teachers (October 21st)

This conference provides us the opportunity to display educational pamphlets and teaching materials available. Approximately 400 teachers from urban and rural Manitoba attended.

Recipe Testing

This continues to be a priority to maintain the quality of recipes used in promotional work. The Board has a test kitchen where all testing is carried out, and records are kept of all recipes tested for easy reference.

Promotion Items

Aprons and recipe binders developed to hold the television recipe booklets continue to be popular. These items are often used for promotional or public relation purposes. They are also made available to the public to purchase at cost.

Janice Hutsal
Shelley Munro

Turkey Board Donations 1988

Age & Opportunity - Seniors Lifestyle Show
Alcoholism Foundation of Manitoba
Anola - Take a Break Fitness Group
Argyle Morning Ladies Curling Club
Assiniboine Park/Fort Garry Community Parks
Boy Scouts of Canada
Brownie Group
CBC Radio Trivia Question Door Prizes
Canadian Authors Association
Canadian Institute of Food Science & Technology
Citizenship Council of Manitoba - International Centre
Elm Crest Furniture Manufacturing
Farm Women's Mini-Conference
Fort Rouge Curling Club
Garden Grove School
Health Sciences Centre - Annual Dieticians & Interns Picnic
Health Sciences Centre - Women's Hospital
ICG Utilities
In Motion Fitness Club
Lindenview
Lions Club of Winnipeg Housing Projects
Manitoba Association of Agricultural Societies
Manitoba Association of Urban Municipalities
Manitoba Heart Foundation
Manitoba Home Economics Teachers Association
Manitoba Hospitality Auxiliary Fun Fair
Manitoba Hotel Association
Manitoba Hydro Home Economists
Manitoba Metropolitan Club of Canada
Manitoba Precision Figure Skating Championships
Manitoba Provincial Farm Women's Conference - Brandon
Manitoba Provincial Farm Women's Conference - Winnipeg
Manitoba Women's Institute
Mount Carmel Clinic
Music for Young Children
Pembina Manitou Hospital Illusory
Petersfield Curling Club - 50th Anniversary
Pine Grove Estates Ratepayers' Association
R & R Fine Foods
Roblin, Shell River, Hillsburg
Roseisle Curling Club
Russian Delegate Tour
St. Adolphe Community Club Chinese Auction
St. Andrews Figure Skating
St. James Assiniboia Figure Skating Club Inc.
SAG Conference
Springhill Heights School Fun Fair

Starting Blocks Co-Operative Inc.
Sturgeon Creek High School
Sturgeon Creek Regional Secondary School Cheerleaders
Ten Ten Sinclair Housing Inc.
The Manitoba Association of School Trustees
The Manitoba Parks & Recreation Association Inc.
Transcona Girl Guides of Canada
Teulon Women's Curling Club
Union of Manitoba Municipalities
Western Canadian Highways
Western Grocers
4H of Canada
88 Manitoba Provincial Summer Games Inc.

MANITOBA TURKEY PRODUCERS' MARKETING BOARD

1989 PROPOSED BUDGET

	1987 ACTUAL	1988 ACTUAL	1989 BUDGET
REVENUE			
Pool Reserve/Operation	6,088	0	0
Manitoba Board	176,884	191,532	190,000
Farm Kill	293	0	0
Overmarketing Penalties	4,798	8,249	0
Interest Income	7,562	10,531	12,000
TOTAL	195,625	210,312	202,000
EXPENDITURES			
Export Costs	6,061	3,813	2,000
Directors Meetings	42,473	39,348	42,000
Telephone/FAX	4,601	4,815	4,800
Rent & Light	3,849	3,860	4,500
Postage, Office Supplies & Furnishings	6,753	9,044	10,000
Legal Fees	6,913	8,952	9,000
Salaries & Benefits	66,611	69,864	74,000
Advertising/Promotion	30,550	29,290	35,000
General Expense	2,224	2,349	2,500
Audit Fees	4,750	3,850	4,000
Travel/Expenses	2,277	4,298	4,200
Dues & Fees	1,000	1,000	1,200
Subscriptions	450	529	800
Insurance	1,368	1,592	2,000
Producer Meetings (Annual & Semi)	3,204	3,822	4,000
TOTAL	183,084	186,426	200,000
Surplus	12,541	23,886	2,000

NOTE!

CTMA Levy Collected		139,941	137,000
CTMA Levy Remitted		139,941	137,000

ELECTION OF DIRECTORS

All registered producers, including the directors whose terms have expired, are eligible to stand for election as a director in the district where their main production unit is located.

Companies must designate their delegate, in writing. Designated delegates are also eligible to stand for office, provided that no conflict of interest exists between their position and the interests of the other producers.

Nomination forms will be available, but nominations will also be accepted from the floor. Only those producers registered in the same district as the directors up for election will be able to nominate or vote for a director to represent that district.

Nominations are to be completed by the time the meeting reconvenes after lunch. Those persons nominated must either be present or have confirmed, in writing, that they are prepared to serve as a director, if elected.

The election will be ballot. Ballots will be available from the returning officer during the early part of the afternoon session.

Election results will be announced following the completion of the balloting.

One director is to be elected in each of the following districts:

District #1	Richard Kroeker
District #2	Robert Byle
District #3	Robert Friesen

The following directors were elected at the 1988 annual meeting and have one more year to run in their term of office:

District #1	Ellis Penner
District #2	Randy Penner
District #3	Peter Maendel

MANITOBA HEALTH ADVISORY COMMITTEE REPORT

Although the Health Advisory Committee was not very active in the past year, some interesting issues did come up. At our last meeting Dr. Victoria Bowes was introduced as the new avian pathologist. This is definitely an asset to our industry and I would stress again that Dr. Bowes, as well as Dr. Neufeld and the rest of the staff, want to be accessible to the producer for path, consultation etc.

As the same meeting it was also decided that the Committee should be sensitive to the industry's needs and organize producer seminars relating to potential problems and areas that might need improvement. We fully realize that it will be a challenge to keep these seminars practical, helpful and interesting but at the same time recognize that presentations from field experts, and producer interaction could be very beneficial. Together with advice and ideas from you, the producer, we hope to organize something in the coming year.

VIDO requested financial support for a project to discover a vaccine for E. Coli Septecemia. It is the feeling of your Board that, although vaccines and drugs can never take the place of management, E. Coli Septecemia poses a serious enough, potential threat, that a vaccine would be a major asset to our industry. With VIDO's track record we feel they are capable of succeeding with this venture, provided they can attain enough support. We hope all the Provinces will eventually rally behind this project to add to the chances of its success, and in turn, to the security of our poultry.

This last year Ag. Canada conducted a medicated feed handling seminar in which they stressed the importance of keeping our product free of drug residues. A summary of this meeting is included in this annual report.

In conclusion I would like to stress that it is the Committee's desire that everything possible is done towards the improvement and security of poultry health in the Province. Flock health is a major component in getting a nutritious appetizing product to the market and we should at all times strive towards that goal.

Robert Friesen
Director
Manitoba Turkey Producers'
Marketing Board

MEDICATED FEED HANDLING

Recently the Food Production and Inspection Branch of Ag. Canada put on a "Medicated Feeds" seminar in Winnipeg. The following is a summary of the presentations pertaining to the producer who manufactures and\or uses medicated feeds.

- Consumer concern for drug residues in meat has increased since the development of technology that can detect even lower levels of residues than ever before. Trace levels that may now cause serious repercussions could not be detected several years ago.

- Since the public has more and more access to the results of various findings and since some of the animal health drugs are now thought to be carcinogenic and\or deleterious, the time has come where the producer must be ever conscious of the effects of his actions on the farm.

- Because of public awareness, health safety and economic repercussions, it is increasingly important that producers practise and enforce correct withdrawal, purging, medicating and feed handling procedures.

- Because our production is ever more dependent on export markets, we need to ensure that our products pass the critical eye of foreign inspections.

- To avoid contamination of non-medicated feed there has to be proper sequencing and flushing, bulk bins must be checked for proper emptying, and feed and medication containers must be properly labelled.

***REMEMBER!** **It only takes 18 kilograms of medicated feed to contaminate 1 tonne of non-medicated feed. (Only 2 grams of sulfa-methazine per tonne of prepared feed)**

18 kilograms of feed can easily "HIDE" itself in a truck auger system or in a bulk bin!

- On farm mixers must follow correct mixing instructions and heed warnings and cautions on labels.

- For levels other than recommended a veterinarian should be consulted.

***IMPORTANT!** **If prescriptions or levels are higher than the recommended levels, appropriate leeway must be given for extra withdrawal.**

- It is important that producers ensure that proper safeguards are taken to avoid consumer and regulatory criticisms.

- Negligence in the handling and administering of drugs can do irreparable damage to the livestock industry.

- Producers should take extra care to ensure correct withdrawals, and that feed systems, augers, etc. are flushed to ensure proper purging.

- Producers should remind their feed suppliers to take proper precautions to avoid contamination of non-medicated feed during processing and delivery. **(Does the driver clean out system after unloading medicated feed before unloading plain? Do they sequence unloading of split loads, eg. plain feed first? Does the mill sequence their feed process or flush the system?)**

Because of minute levels of residue which can be detected by the advent of micro technology, only one small case of negligence can result in the undue hardship of product condemnation at the processors.

- Let's do our best as producers to avoid the harmful effects of bad publicity that can occur through a careless mistake. Thousands of dollars have been lost through mishandling of drugs.

- Let's do our best to produce a product that is safe, healthy and appetizing.

NOTE: The Food and Inspection Branch has started an on farm inspection and monitoring program for on the farm feed manufacturers. See attached agenda.

For more information on how to get the Medicated Feed Information Guide, the Compendium of Medicating Ingredient Brochure and other feed regulation resources feel free to contact the Board office.

Robert Friesen
Director
MANITOBA TURKEY PRODUCERS'
MARKETING BOARD

ON-FARM INSPECTIONS

PURPOSE

- TO SAFEGUARD WHOLESOMENESS OF MEAT, MILK AND EGGS FOR CONSUMERS

APPLY TO

- PERSONS WHO MIX MEDICATED FEED FOR OWN USE

TYPICAL INSPECTION INVOLVES

- INSPECTION OF FEED MIXING AREAS
  - INCLUDES
    - . INGREDIENT AND PREMIX STORAGE
    - . MIXING EQUIPMENT AND FEED STORAGE
- LISTING OF ALL MEDICATED PREMIXES ON PREMISES
- CHECKING MEDICATED PREMIXES
- CHECKING FEED DELIVERY SYSTEMS
- POSSIBLY SAMPLING FINISHED MEDICATED FEEDS FOR LABORATORY ANALYSIS
- DISCUSSION TO ASSIST WITH ANY IDENTIFIED PROBLEMS
- IDENTIFYING INFORMATION SOURCES

MANAGER'S REPORT

The year 1988 is now behind us. It was certainly not your ordinary year to be sure. The year saw not only a Provincial election but also a Federal election. It saw great debate prior to the Federal election for both sides of the Free Trade Agreement, for and against. The subject of GATT (The General Agreement on Tariffs and Trade) surfaced often in the papers and on the electronic media with the two year mid term review being held in Montreal in early December. As if all these events were not of enough concern and interest to our industry, the worst drought and heat wave descended on us as well during this past summer.

In the midst of wondering what effect the Free Trade Agreement with the U.S. was going have on our industry we experienced a dramatic escalation in feed prices. This was followed by a sharp increase in chick prices. Both increases were a result of the devastating drought, both in Canada and the U.S.A., and its effect on feed grain supply and prices.

These events put extreme pressure on cost of production figures for both chicken and turkey producers. We saw producer live paying prices slip further behind the COP for Manitoba. Despite the efforts of the Board the market place just could not keep pace with the escalating cost of production caused mostly by the steadily increasing feed prices. Not helping the matter was the burdensome national inventories of frozen chicken carried into 1988 from overproduction in the 5th Period of 1987. Turkey inventories were also somewhat higher than the desired level caused also by a larger than normal carry over from 1987.

Having withstood all of the above problems and uncertainties 1988 is now behind us and is history. Here we are in a new year. The good news is that we entered 1989 in much better shape, inventory wise, than we did a year earlier. Nationally we are down almost half the inventory level reported one year earlier for chicken of near twenty (20) million kilograms to less than eleven (11) million kilograms and for turkey almost one (1) million kilograms less on January 1, 1989 than we had on January 1, 1988 of almost sixteen (16) million kilograms nationally.

If we can control or further reduce these inventory levels and prevent them from again becoming a burden on the entire industry the prospects of our producer live paying price returning to the cost of production level could be a reality in 1989. We will have to produce what the consumer demands and at the correct time to meet market demand if this goal is to be achieved.

We must however be aware and take into account the immediate effects of the Free Trade Agreement which was implemented on January 1, 1989. These effects include the increased access to the Canadian market for U.S. chicken under the Global Import Quota from 6.2% to 7.5% annually which translates into an increase of over six (6) million kilograms of U.S. product in 1989. The Global Import Quota for turkey was increased from 2% to 3.5% of the Canadian production and represents an additional 1.7 million kilograms of U.S. turkey entering our market this year.

As for other effects of the Free Trade Agreement such as the tariff reductions on further processed products not on the Import Control List, only time will tell, as these tariff reductions are to be implemented over a ten (10) year period.

On the bright side, the chicken and turkey industry in Canada continues to enjoy increased consumption.

We must continue to produce high quality, reasonably priced product to maintain the confidence and demand of consumers for our product.

I read with great interest the other day an article on how an organization or industry can become and remain successful. The article was written by the Chairman of a large Canadian corporation. It stated than any organization must have three main ingredients to achieve success. The three ingredients are: **COMMON SENSE**, **DEDICATION** and **TEAMWORK** . With these three ingredients an organization or industry can achieve whatever goal it sets for itself but without them they are doomed to fail.

If we remember these three ingredients for success and continue to put them into use at all levels of our industry we can withstand whatever adversity or change may come along in the future.

I want to thank the Chairman, Directors and Producers for their willing co-operation as well as that of the Processors, Hatcheries and others in the industry with myself and the Board staff in 1988. I also want to thank the staff for their loyal dedication and hard work for our industry this past year.

Burton F. Waters
General Manager

EXPORT REPORT

Both the Manitoba Chicken Broiler Producers' Marketing Board and the Manitoba Turkey Producers' Marketing Board through their export company C & T Exports Ltd. works very closely with local industry to promote and encourage Export Sales of chicken and turkey from the Province. In 1988 the total sales amounted to over 364,000 kilograms worth over $809,000.00.

These sales were made by several Manitoba processors as well as C & T Exports Ltd. Manitoba poultry products were sold to such countries as Haiti, Mexico, Africa, U.S.A. and Japan in 1988.

The 1988 sales to Japan are made up mostly of turkey, both deboned meat and whole broiler turkeys. There were also several small sales of chicken made to Japan during 1988 by one Manitoba processor.

C & T Exports Ltd. in 1988 grew two special flocks of turkey broilers which was a doubling of our sales in 1987 for our customer in Japan, namely Z. Kuroda & Company. This special production is necessary to achieve a very exacting size of bird required by our customer.

The Japanese market for chicken and turkey is very competitive. For chicken sales we must compete against such countries as Taiwan, Red China, Korea, U.S.A. and even Brazil. Their quality may not match our quality but their prices are very competitive. However for chicken we continue to keep our foot in the Japanese market in the hopes this market may turn around in the future.

For a share of the Japanese turkey market we are in competition with France, Israel and the U.S.A. Once again our quality is superior but pricing is the major factor.

At the present time the Manitoba Turkey Producers' Marketing Board through C & T Exports Ltd. is negotiating 1989 sales with our Japanese customer as well as negotiation sales into a new potential market, Malaysia.

Frozen Chicken Sales

Year	Pounds	Kgs.	Dollar Value
1984	11,731	5,332	$14,594.00
1985	NIL	NIL	NIL
1986	NIL	NIL	NIL
1987	7,800	3,539	$14,430.00
1988	6,550	2,972	$ 8,242.00

Frozen Whole Turkey and Deboned Meat Sales

Year	Pounds	Kgs.	Dollar Value
1984	67,048	30,476	$119,360.00
1985	96,628	43,922	$236,365.00
1986	65,945	29,975	$121,952.00
1987	141,011	63,980	$348,041.00
1988	796,141	361,226	$801,021.00

KEYSTONE AGRICULTURAL PRODUCERS INC. REPORT

The following is a brief report of some of the activities of the Keystone Agricultural Producers Inc. (KAP) in 1988

Membership

As of the KAP year end, November 30, 1988, individual memberships stood at 5,094, a slight increase from the previous year. The group members remained at 15.

Funding Mechanism

During 1988 KAP continued to press for the establishment of a legislated fee collection mechanism to fund the activities of a united and effective general farm organization. On December 20, 1988 Bill 28 received 3rd reading and royal assent. This will be a voluntary check off available for one certified farm organization.

Animal Welfare

In September KAP initiated the establishment of an Animal Welfare Committee, intended to facilitate the process of responding to the activities of so call "animal rights" activists.

Other issues that KAP have been involved with in 1988 are drought assistance, livestock feed security program, crop insurance, research, rural services, etc. etc.

In closing, KAP have been very busy on behalf of the farming community of Manitoba and have accomplished much. I would like to remind you, however, that the check off will not be in effect until the 1989-89 membership year. If you have not already paid your dues please do so.

Wayne Kroeker
Director
MANITOBA TURKEY PRODUCERS'
MARKETING BOARD